

**CITY MARSHAL
OF ABBEVILLE, LOUISIANA**

Compiled Financial Statements

Year Ended December 31, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **APR 25 2012**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Mr. Jeremiah Bolden
City Marshal
Abbeville, Louisiana 70510

We have compiled the accompanying financial statements of the governmental activities and major fund of the City Marshal of Abbeville, Louisiana as of and for the year ended December 31, 2011, which collectively comprise the Marshal's basic financial statements as listed in the table of contents.

We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the City Marshal of Abbeville, Louisiana is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the City Marshal of Abbeville, Louisiana in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The management's budgetary comparison information on page six is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or provide any assurance on the supplementary information.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

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CITY MARSHAL OF ABBEVILLE, LOUISIANA

Statement of Net Assets
December 31, 2011

ASSETS

Current assets:	
Cash	\$ 85,565
Due from other governments	2,435
Capital assets (net of accumulated depreciation)	<u>30,106</u>
Total assets	<u>118,106</u>

LIABILITIES

Current liabilities:	
Accounts payable	<u>576</u>
Total liabilities	<u>576</u>

NET ASSETS

Invested in capital assets, net of related debt	30,106
Unrestricted	<u>87,424</u>
Total net assets	<u>\$117,530</u>

See accompanying notes and independent accountant's compilation report

CITY MARSHAL OF ABBEVILLE, LOUISIANA

Statement of Activities
Year Ended December 31, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net Revenue And Changes in Net Assets Governmental Activities</u>
Governmental activities:			
General government	<u>\$ 19,476</u>	<u>\$ 28,159</u>	<u>\$ 8,683</u>
		General revenues:	
		Interest income	<u>267</u>
		Change in net assets	8,950
		Net assets - beginning of year	<u>108,580</u>
		Net assets - end of year	<u>\$ 117,530</u>

See accompanying notes and independent accountant's compilation report.

CITY MARSHAL OF ABBEVILLE, LOUISIANA

Balance Sheet
Governmental Fund
December 31, 2011

	<u>General Fund</u>
ASSETS	
Cash	\$ 85,565
Due from other governments	<u>2,435</u>
Total assets	<u>\$ 88,000</u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable	\$ <u>576</u>
Total liabilities	<u>576</u>
Fund Equity:	
Fund Balance -	
Unassigned	<u>87,424</u>
	<u>87,424</u>
Total liabilities and fund equity	<u>\$ 88,000</u>
 Total fund balance for governmental funds	 \$ 87,424
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds	 <u>30,106</u>
Net assets of governmental activities	<u>\$ 117,530</u>

See accompanying notes and independent accountant's compilation report.

CITY MARSHAL OF ABBEVILLE, LOUISIANA

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Fund Year Ended December 31, 2011

	<u>General Fund</u>
Revenue:	
Intergovernmental -	
Marshal's fees	\$ 28,159
Other revenues -	
Interest	<u>267</u>
Total revenues	<u>28,426</u>
Expenditures:	
Current -	
Auto expenses	2,146
Dues	225
Meetings and schools	125
Miscellaneous	4,174
Office expenses	2,911
Repairs and maintenance	906
Telephone and beepers	1,008
Uniforms	1,636
Capital outlay -	
Vehicles	<u>29,109</u>
Total expenditures	<u>42,240</u>
Excess (deficiency) of revenues over expenditures	(13,814)
Fund balance, beginning of year	<u>101,238</u>
Fund balance, end of year	<u>\$ 87,424</u>
Net change in fund balance - governmental fund	\$ (13,814)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlay expenditures	29,109
Depreciation expense for the year ended December 31, 2011	<u>(6,345)</u>
Change in net assets of governmental activities	<u>\$ 8,950</u>

See accompanying notes and independent accountant's compilation report.

CITY MARSHAL OF ABBEVILLE, LOUISIANA

**Budgetary Comparison Schedule
General Fund
Year Ended December 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenue:				
Intergovernmental -				
Marshal's fees	\$ 42,000	\$ 42,000	\$ 28,159	\$ (13,841)
Other revenues -				
Interest	-	-	267	267
Total revenues	<u>42,000</u>	<u>42,000</u>	<u>28,426</u>	<u>(13,574)</u>
Expenditures:				
Current -				
Auto expenses	9,500	9,500	2,146	7,354
Contract labor	3,500	3,500	-	3,500
Dues	1,000	1,000	225	775
Meetings and schools	2,500	2,500	125	2,375
Miscellaneous	3,500	3,500	4,174	(674)
Office expenses	3,500	3,500	2,911	589
Repairs and maintenance	2,500	2,500	906	1,594
Telephone and beepers	3,200	3,200	1,008	2,192
Uniforms	3,000	3,000	1,636	1,364
Capital outlay -				
Vehicles	-	-	29,109	(29,109)
	<u>32,200</u>	<u>32,200</u>	<u>42,240</u>	<u>(10,040)</u>
Excess (deficiency) of revenues over expenditures	9,800	9,800	(13,814)	(23,614)
Fund balance, beginning of year	<u>101,238</u>	<u>101,238</u>	<u>101,238</u>	<u>-</u>
Fund balance, end of year	<u>\$ 111,038</u>	<u>\$ 111,038</u>	<u>\$ 87,424</u>	<u>\$ (23,614)</u>

See accompanying notes and independent accountant's compilation report.

CITY MARSHAL OF ABBEVILLE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Marshal of Abbeville, Louisiana was created under Louisiana Revised Statute 13:1879 as an officer of the court elected for a term of six years. Louisiana Revised Statute 13:1881 provides that the Marshal's duties are to execute the orders and mandates of the court, and in the execution thereof, and in making arrests and preserving the peace, he has the same powers and authority of a sheriff.

The accounting and reporting policies of the City Marshal of Abbeville conform to generally accepted accounting principles as applied to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to guides set forth in the *Louisiana Government Audit Guide*, and to the industry guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent upon the City Marshal. The City Marshal's office is a component unit of the City of Abbeville, Louisiana.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the government. Both the government-wide and fund financial statements categorize primary activities as governmental.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Items not properly included among program revenues are reported as *general revenues*.

A separate financial statement is provided for the governmental fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows.

CITY MARSHAL OF ABBEVILLE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities for the current period. For this purpose, the government considers revenues to be *available* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The City Marshal of Abbeville, Louisiana has the following fund type:

Governmental Fund –

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the City Marshal:

General Fund

The General Fund is the general operating fund of the City Marshal. It is used to account for all financial resources except those required to be accounted for in another fund.

Budgets and Budgetary Accounting

Budgeted amounts included in the budgetary comparison schedule are as originally adopted. There were no budget amendments during the year.

Capital Assets

All capital assets purchased or acquired are reported at historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over estimated useful lives as follows:

Vehicles	5 years
Furniture and fixtures	5-7 years

CITY MARSHAL OF ABBEVILLE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City Marshal.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH

Under state law, the City Marshal may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City Marshal may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2011, the City Marshal had cash (book balances) totaling \$85,565.

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2011, total \$66,281 and are covered by FDIC insurance.

CITY MARSHAL OF ABBEVILLE, LOUISIANA

Notes to Financial Statements

NOTE 3 CAPITAL ASSETS

A summary of changes in general capital assets for the year ended December 31, 2011 follows:

	Balance December 31, 2010	Additions	Deletions	Balance December 31, 2011
<u>Capital Asset Cost</u>				
Furniture and equipment	\$ 4,504	\$ -	\$ -	\$ 4,504
Vehicles	<u>34,144</u>	<u>29,109</u>	<u>-</u>	<u>63,253</u>
	<u>\$ 38,648</u>	<u>\$ 29,109</u>	<u>\$ -</u>	<u>\$ 67,757</u>
<u>Accumulated Depreciation</u>				
Furniture and equipment	\$ 4,504	\$ -	\$ -	\$ 4,504
Vehicles	<u>26,802</u>	<u>6,345</u>	<u>-</u>	<u>33,147</u>
	<u>\$ 31,306</u>	<u>\$ 6,345</u>	<u>\$ -</u>	<u>\$ 37,651</u>
Net Capital Assets	<u>\$ 7,342</u>	<u>\$ 22,764</u>	<u>\$ -</u>	<u>\$ 30,106</u>

NOTE 4 INTERGOVERNMENTAL RELATIONSHIPS

The nature of the City Marshal's duties and functions has created an interdependent relationship between the City Marshal's office and the City of Abbeville and the City Court of Abbeville.

Practically all operating revenues for the City Marshal are derived from court costs assessed and collected by City Court of Abbeville. These funds (which are reported in the financial statements as Marshal's fees) are distributed to the City Marshal on a monthly basis.

The City of Abbeville is responsible for paying the salaries and related benefits of the City Marshal and personnel. The City of Abbeville also provides office space and pays for certain operating expenses associated with the City Marshal's vehicles.

NOTE 5 SUBSEQUENT EVENTS

Management has evaluated events subsequent to the balance sheet date through March 19, 2012, the date the financial statements were available to be issued.



Darnall, Sikes, Gardes & Frederick.

(A Corporation of Certified Public Accountants)

March 19, 2012

Mr. Jeremiah Bolden
City Marshal
Abbeville, Louisiana

During the course of our compilation of the financial statements of the City Marshal of Abbeville, Louisiana as of and for the year ended December 31, 2011, we noted a certain condition which affects the safeguarding of cash, and related procedures for recording revenues for financial reporting purposes, which we would like to bring to your attention so that you may consider appropriate action.

ML 2011-01 Revenue Checks Not Timely Deposited

Finding: The City Marshal's primary revenue source consists of a monthly check issued by the City Court of Abbeville. We noted that the City Marshal was not depositing these monthly checks in a timely manner. It was brought to our attention that the delay in depositing these revenue checks was so great that the local bank would no longer honor some of the checks. Lack of timely deposits exposes the City Marshal's office to the potential loss of public funds as well as possible incorrect financial reporting of revenues as required under state law.

Recommendation: The City Marshal should establish a practice of depositing monthly revenues on a timely basis so as to ensure that public funds are safeguarded and so that annual financial reporting of revenues is complete and accurate.

This condition is being brought to your attention so that you may initiate corrective action as soon as possible. We will include a copy of this letter along with our regular submission of the annual compiled financial statements to the Louisiana Legislative Auditor's office as is required. Please contact our office with any questions or concerns you may have regarding this condition.

Sincerely

DARNALL, SIKES, GARDES & FREDERICK
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